



State of Wisconsin
Tommy G. Thompson, Governor



Department of Agriculture, Trade and Consumer Protection

Ben Brancel, Secretary

Division of Trade and Consumer Protection

November 19, 1998

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Ms. Magalie Salas
Office of the Secretary
Federal Communications Commission
The Portals
445 12th Street S.W.
Washington, DC 20554

Re: In the Matter of Truth-in-Billing and Billing Format - CC Docket No. 98-170

Dear Ms. Salas:

Please accept the attached letter for consideration by the Commission in the proposed rulemaking regarding truth-in-billing. The attached letter was faxed to the Commission on November 12.

Sincerely,

Mary L. Krueger, Investigator
BUREAU OF CONSUMER PROTECTION
(715) 839-3852
(715) 839-1645 Fax

Enc.

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November 12, 1998

Colleen Heitkamp, Senior Investigator
Common Carrier Bureau
Enforcement Division
Consumer Protection Branch
Federal Communications Commission
2025 M Street N.W., Room 6202
Washington, DC 20554

Re: In the Matter of Truth-in-Billing and Billing Format

Dear Ms. Heitkamp:

Please forward the following comments for consideration by the Commission in their proposed rulemaking regarding truth-in-billing.

The Notice published by the Commission concerning telephone bills addressed all the difficulties our agency encounters in dealing with consumer complaints of slamming and cramming.

The two biggest issues we see from consumers who file slamming complaints are (1) the consumer's inability to determine who their service provider is and (2) their inability to contact the service provider. When consumers dial the phone numbers provided on telephone bills for customer service, the numbers are generally busy or not answered at all, but no address is provided to which to write.

Organizing the bill so that one clear and conspicuous section is devoted to any changes in service would reduce the time it takes for a consumer to detect and correct unauthorized charges. Benefits to resellers responsible for slamming would be reduced. A message in this section might read:

*Though ##### is your underlying long distance carrier, you recently have chosen
***** as your service provider and you are now paying ***** rates. The
address and telephone number for ***** Customer Service is:*

*+++++ is a third party billing service that bills on behalf of *****.*

As to the charges resulting from federal regulatory action, a brief explanation of the federal charges that now appear on consumer telephone bills should be included with each bill. Such as:

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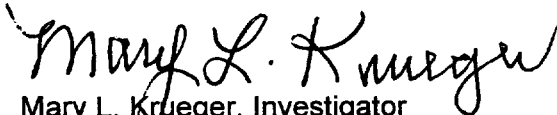
- *Federal Subscriber line Charge (SLC) [A monthly "access" charge billed by your local phone company]*
- *Presubscribed Inter-exchange Carrier Charge (PICC) [Beginning in 1998, a monthly "access" fee charged to long distance providers by the local phone company and passed on to you, the subscriber]*
- *Universal Service Fund Charge (USF) [Beginning in 1998, a fee charged to long distance providers and passed on to you, the subscriber, to support programs that ensure affordable phone service to all Americans.]*

Uniform terminology should be required and combining of fees prohibited. It is important to identify the true nature of each of these fees because "federally mandated" is a term frequently and incorrectly tossed around by telemarketers attempting to slam consumers.

For your information, I have included copies of two laws our agency enforces: Wisconsin Administrative Code, Chapter ATCP 123, Telecommunications and Cable Television Services, and Wisconsin Statutes, section 100.207, Telecommunications Services.

Thank you for the opportunity to respond.

Sincerely,



Mary L. Krueger, Investigator
BUREAU OF CONSUMER PROTECTION
(715) 839-3852
(715) 839-1645 Fax

Enc.

MARKETING; TRADE PRACTICES 100.207

100.207 Telecommunications services. (1) DEFINITION. In this section, "telecommunications service" has the meaning given in s. 196.01 (9m).

(2) ADVERTISING AND SALES REPRESENTATIONS. A person may not make in any manner any statement or representation with regard to the provision of telecommunications service, including the rates, terms or conditions for telecommunications service, which is false, misleading or deceptive, or which omits to state material information with respect to the provision of telecommunications service that is necessary to make the statement not false, misleading or deceptive.

(3) SALES PRACTICES. (a) A person may not engage in negative option billing or negative enrollment of telecommunications services, including unbundled telecommunications services. A person may not bill a customer for any telecommunications service that the customer did not affirmatively order unless that service is required to be provided by law, the federal communications commission or the public service commission. A customer's failure to refuse a person's proposal to provide a telecommunications service is not an affirmative request for that telecommunications service.

(b) A person may not charge a customer for telecommunications service provided after the customer has canceled that telecommunications service.

(c) A person shall provide a customer who has ordered a telecommunications service through an oral solicitation with independent confirmation of the order within a reasonable time.

(4) COLLECTION PRACTICES. (a) A person may not misrepresent that local exchange service may be disconnected for nonpayment of other telecommunications service.

(b) A person may not unreasonably refuse to provide a detailed listing of charges for telecommunications service upon the request of a customer.

(5) TERRITORIAL APPLICATION. Subsections (2) to (4) apply to any practice directed to any person in this state.

(6) REMEDIES AND PENALTIES. (a) 1. If a person fails to comply with this section, any person or class of persons adversely affected by the failure to comply has a claim for appropriate relief, including damages, injunctive or declaratory relief, specific performance and rescission.

2. A person or class of persons entitled to relief under subd. 1. is also entitled to recover costs and disbursements.

(b) 1. The department of justice, on its own initiative or at the request of the department of agriculture, trade and consumer protection, or any district attorney upon informing the department of justice, may commence an action in circuit court in the name of the state to restrain by temporary or permanent injunction any violation of this section. Injunctive relief may include an order directing telecommunications providers, as defined in s. 196.01 (8p), to discontinue telecommunications service provided to a person violating this section or ch. 196. Before entry of final judgment, the court may make such orders or judgments as may be necessary to restore to any person any pecuniary loss suffered because of the acts or practices involved in the action if proof of these acts or practices is submitted to the satisfaction of the court.

2. The department of agriculture, trade and consumer protection may exercise its authority under ss. 93.14 to 93.16 and 100.18 (11) (c) to administer this section. The department of justice may subpoena persons, require the production of books and other documents, and may request the department of agriculture, trade and consumer protection to exercise its authority to aid in the investigation of alleged violations of this section.

(c) Any person who violates subs. (2) to (4) shall be required to forfeit not less than \$25 nor more than \$5,000 for each offense. Forfeitures under this paragraph shall be enforced by the department of justice, on its own initiative or at the request of the department of agriculture, trade and consumer protection, or, upon informing the department of justice, by the district attorney of the county where the violation occurs.

(e) The department of agriculture, trade and consumer protection, in consultation with the department of justice, shall promulgate rules under this section.

(f) This section does not preempt the administration or enforcement of this chapter or ch. 133 or 196. Practices in violation of this section may also constitute unfair methods of competition or unfair trade practices under s. 100.20 (1) or (1t) or fraudulent representations under s. 100.18 (1) or violate ch. 133 or 196.

History: 1993 a. 496.

Chapter ATCP 123

TELECOMMUNICATIONS AND CABLE TELEVISION SERVICES

ATCP 123.01 Definitions
 ATCP 123.02 Contract provisions
 ATCP 123.04 Subscription changes
 ATCP 123.06 Negative option billing

ATCP 123.08 Automatic renewal or extension
 ATCP 123.10 Prohibited practices
 ATCP 123.12 Activities regulated by public service commission
 ATCP 123.14 Initial applicability

Note: This chapter regulates subscription and billing practices related to telecommunications services and cable television services provided to consumers.

This chapter is adopted under authority of ss. 100.20 (2) and 100.207 (6) (e), Stats. Violations of this chapter may be subject to prosecution under ss. 100.20(6), 100.26 (3), (6) and, in the case of telecommunications services, s. 100.207 (6) (b) and (c), Stats. Persons damaged by violations of this chapter may bring private actions against the violators under ss. 100.20 (5) and 100.207 (6) (a), Stats.

Federal law recognizes that state administrative rules may under certain circumstances be preempted by federal law or administrative action. It is the position of the department that any provision of this rule which specifically conflicts with any federal law which now exists, or is later enacted or amended, would be superseded by the federal law.

ATCP 123.01 Definitions. In this chapter:

(1) "Appointed provider of long distance telecommunications services" means a provider selected for a consumer according to procedures prescribed by the federal communications commission after the consumer fails to select a provider.

(2) "Bill" means to represent to a consumer, directly or by implication, that the consumer is obligated to pay a stated amount for telecommunications services or cable television services pursuant to an existing contract with the provider of those services.

(3) "Cable television service" has the meaning given in s. 196.01(1p), Stats., and includes services billed to consumers by a multichannel video programming distributor as defined under 47 USC 522 (12).

(4) "Consumer" means any individual to whom a provider sells, leases, or offers to sell or lease telecommunications services or cable television services primarily for personal, family or household purposes.

(5) "Disclose" means to make a clear and conspicuous statement which is designed to be readily noticed and understood by the consumer and, if the disclosure is made in writing, which is designed to be retained by the consumer.

(6) "Final stage receiving device" means a telephone, television or other device that transforms an electronic signal into a user-recognizable service used by a consumer.

(7) "Individual" means a human being.

(8) "Long distance telecommunications service" means a long distance toll service provided on a direct-dialed, single message, dial-1 basis between local exchanges.

(9) "Person" means an individual, corporation, cooperative, partnership, limited liability company, business trust, or business association or entity.

(10) "Provider" means a person who sells, resells, leases, or offers to sell, resell or lease telecommunications services or cable television services to consumers. "Provider" includes an employee or agent who is authorized to act on behalf of and in the name of a provider.

Note: "Provider" includes a telemarketer or other person who sells telecommunications services or cable television services on behalf of and in the name of a provider.

(11) "Service offering" means a telecommunication service or cable television service that is offered under a single name or at a single price. A "service offering" includes a cable television "service tier," as defined in 47 USC 522.

(12) "Subscribe" means to enter into a subscription.

(13) "Subscription" means a contract between a provider and a consumer for telecommunications services or cable television services, or both, which are provided or billed to the consumer on a continuing or periodic basis. "Subscription" includes an oral, written or electronically recorded contract, and includes any material amendment to an existing contract.

(14) "Telecommunications carrier" has the meaning given in s. 196.01 (8m), Stats.

(15) "Telecommunications service" has the meaning given in s. 196.01 (9m), Stats.

(16) "Telecommunications utility" has the meaning given in s. 196.01 (10), Stats.

(17) "Written" or "in writing" means legibly printed on a tangible non-electronic medium, such as paper, which is delivered to a consumer, or legibly printed in electronic form on a television screen or computer monitor if the consumer can readily retrieve, store or print the video image for future reference. "Written" or "in writing" does not include presentation on a medium, such as a billboard, which cannot be conveniently retained by a consumer.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.02 Disclosure to subscriber. (1) **SUBSCRIPTION TERMS.** Except as provided under sub. (4) or (5), a provider shall disclose to a consumer the material terms of a proposed subscription at or before the time that the consumer subscribes. The disclosure shall include all of the following:

(a) A clear identification of each service offering included in the subscription, including the material consumer features, functions or capabilities which comprise that service offering.

Note: For example, the identification of a cable television service tier should identify the channels which comprise that tier.

(b) The price which the consumer must pay for each service offering. Prices may be disclosed as price schedules, rates or formulas, provided that the consumer can readily determine the total amount which he or she must pay. The price shall include the price for all goods and services which the provider bills to the consumer in connection with the service offering.

(c) All incidental charges that may affect the total amount payable by the consumer, including charges for connecting, changing or disconnecting service. This paragraph does not apply to finance charges or late payment charges if the provider discloses all of the following in writing when the provider first bills the consumer for the principal amount to which those finance charges or late payment charges apply:

1. The circumstances under which the finance charges or late payment charges will apply.

2. The amount of the finance charges or late payment charges, or the method for computing those charges if their amount is not yet known.

(d) The effective date of the subscription unless all of the following apply:

1. The effective date depends on the action of a third party outside the provider's control.

2. The provider discloses a good faith estimate of the effective date and a means by which the consumer may verify the effective date.

(e) The expiration date of the subscription, if any.

(f) Any limitations on the consumer's right to cancel the subscription at any time.

(2) **DISCLOSURE IN WRITING.** Except as provided under sub. (3), a provider shall make the disclosures under sub. (1) in writing. The provider shall disclose the material terms of the subscription in context with each other, and shall not separate those material terms by promotional information.

(3) **ORAL OR ELECTRONIC DISCLOSURE; WRITTEN CONFIRMATION.** If a consumer subscribes orally or electronically, the provider may make the disclosure under sub. (1) orally or electronically, provided that both of the following apply:

(a) The provider confirms the disclosure in writing on or before the 15th day after the consumer subscribes, or on or before the day that the provider first bills the consumer under the subscription, whichever is later. The provider may confirm the disclosure as part of a regular billing statement to the consumer.

Note: A provider may incorporate by reference, in its written confirmation under par. (a), information contained in a telephone book or other periodic reference document provided to the subscriber.

(b) The provider does one of the following:

1. Notifies the consumer that the consumer may cancel the subscription at any time without incurring any cancellation charge or disconnect fee.

2. Notifies the consumer that the consumer may cancel the subscription, without incurring any cancellation charge or disconnect fee, prior to a specified cancellation deadline which is not less than 3 days after the consumer receives the written confirmation under par. (a).

(4) **LONG DISTANCE TELECOMMUNICATIONS RATES; EXEMPTION.** A provider of long distance telecommunications services need not disclose specific long distance rates under sub. (1) if the provider discloses all of the following under sub. (1):

(a) A method by which the consumer may readily determine, without cost to the consumer, the specific rate for long distance telecommunications service between two points. Rates disclosures under this paragraph need not include discounts under par. (b) that will apply.

(b) Any discounts that will apply to long distance rates disclosed to the consumer under par. (a).

(5) **PAY-PER-VIEW CABLE TELEVISION CHARGES; EXEMPTION.** A provider of pay-per-view cable television service need not disclose per-view charges under sub. (1) if all of the following apply:

(a) The consumer does not incur the per-view charges unless the consumer specifically orders the services to which those charges pertain.

(b) The provider discloses the per-view charges at or before the time that the consumer orders the services to which those charges pertain.

(c) The provider discloses under sub. (1) any subscription charges which the consumer must pay for the right to order pay-per-view services under par. (a).

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.04 Subscription changes. (1) DISCLOSURE REQUIRED. Except as provided under sub. (2), no provider may initiate any price increase or other subscription change without giving the consumer prior notice of that price increase or subscription change. The provider shall give the notice at least 25 days, but not more than 90 days, prior to the subscription change. The provider may give the notice as part of a regular billing statement to the consumer.

Note: Section 134.42(2), Stats., requires a cable television provider to give a consumer at least 30 days advanced written notice before deleting a service or instituting a rate increase. 47 USC 76.309 (3) (i) (B) requires a cable television provider to give

consumers a 30-day advance notice of any changes in rates or services regulated under 47 USC 543.

(2) **EXEMPTIONS.** Subsection (1) does not apply if any of the following apply:

(a) The consumer orders the subscription change, and the provider complies with s. ATCP 123.02 in connection with that order.

(b) The subscription change does not alter the price of the service offering or the total amount billed to the consumer, and does not materially alter the consumer features, functions or capabilities which comprise the service offering.

(c) The subscription change merely expands a service offering currently billed to the consumer without doing any of the following:

1. Increasing the price of that service offering or increasing the total amount billed to the consumer.

2. Combining that service offering with another service offering which the consumer can order separately, but which the consumer has not affirmatively ordered.

3. Making other material changes to the consumer features, functions or capabilities which comprise that service offering.

(d) The subscription change results from the expiration of terms granted to the consumer under an introductory or other promotional offer, provided that the provider disclosed both of the following to the consumer at or before the time that the consumer subscribed:

1. The duration of the promotional offer.

2. The terms that would apply after the promotional offer expired.

(e) The subscription change is limited to a change in long distance rates that are exempt from disclosure under s. ATCP 123.02 (4).

(f) The subscription change is limited to a change in pay-per-view cable television charges that are exempt from disclosure under s. ATCP 123.02 (5).

(g) Section ATCP 123.12 exempts the subscription change from coverage under this chapter.

(3) **DISCLOSURE FORM AND CONTENTS.** A provider shall make the disclosure under sub. (1) in writing. The disclosure shall do all of the following:

(a) Clearly describe the proposed subscription change, including any change in price, and any material change in consumer features, functions or capabilities.

Note: See s. ATCP 123.06 related to negative option billing.

(b) Specify the effective date of the proposed change.

(c) Disclose that the consumer may cancel any service offering directly or indirectly affected by the change, without incurring a cancellation charge or disconnect fee, effective not later than the effective date of the subscription change. This disclosure is not required if, under the terms of the subscription, the consumer may cancel service offerings at any time without incurring a cancellation charge or disconnect fee.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.06 Negative option billing. (1) PROHIBITION. Except as provided under subs. (2) or (3), no provider may bill a consumer for a service offering that the consumer has not affirmatively ordered. A consumer's failure to reject a service offering is not an affirmative order for service. A consumer's affirmative order for service may be made orally, electronically or in writing, subject to s. ATCP 123.02.

(2) **EXPANDED SERVICE OFFERING; EXEMPTION.** A provider need not obtain an affirmative order from a consumer before expanding a service offering currently billed to that consumer unless the expansion has the effect of combining that service offering with another service offering which the consumer can order separately but has not affirmatively ordered.

Note: See s. ATCP 123.04 related to advance notice of price increases and other subscription changes, including expansions of service offerings.

(3) **LONG DISTANCE TELECOMMUNICATIONS SERVICES: EXEMPTIONS.** (a) Subsection (1) does not prohibit a provider of telecommunications services from billing a consumer for services which that provider is required by law to deliver to that consumer.

(b) Subsection (1) does not prohibit a consumer's appointed provider of long distance telecommunications services, merely because that consumer did not affirmatively select that provider, from billing that consumer for services used by that consumer.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.08 Automatic renewal or extension. No subscription for a definite period of time may be renewed or extended beyond its scheduled termination date, pursuant to an automatic renewal or extension provision in the contract, unless one of the following applies:

(1) The consumer is free to cancel the contract at any time.

(2) The provider gives the consumer a written notice reminding the consumer of the scheduled automatic renewal or extension. The reminder notice shall be designed to be readily noticed and understood by the consumer. The notice shall be given at least 30 days but not more than 60 days prior to the scheduled effective date of the automatic renewal or extension.

Note: A written notice under this section may be included as part of any billing statement given to the consumer at least 30 days but not more than 60 days prior to the effective date of the automatic renewal.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.10 Prohibited practices. No provider may do any of the following:

(1) Offer to a consumer any prize, prize opportunity, or free or reduced price goods or services whose receipt is conditioned upon an agreement to purchase or lease telecommunications services or cable television services unless the provider discloses that a purchase is required in connection with every public announcement or advertisement of the prize, prize opportunity, or free or reduced price goods or services.

Note: See also s. 134.74, Stats., and ATCP 123.02.

(2) Misrepresent the provider's identity to a consumer.

(3) Misrepresent that a consumer has subscribed to or received a telecommunications service or cable television service.

(4) Misrepresent the terms of a subscription.

(5) Fail to identify, in each bill presented to a consumer, the service offerings for which the provider is billing the consumer.

(6) Fail to honor, on a timely basis, a consumer's request to cancel a telecommunications service or cable television service according to this chapter and the terms of the subscription for that service.

(7) Charge a consumer a fee for canceling a subscription or service offering unless the fee is disclosed to the consumer according to ss. ATCP 123.02 and 123.04.

Note: Section ATCP 123.04 (2) limits cancellation charges and disconnect fees in some cases, regardless of whether those fees are disclosed.

(8) Bill a consumer for telecommunications services or cable television services in violation of this chapter.

(9) Propose or enter into any contract with a consumer that purports to waive a consumer's rights under this chapter, or that purports to authorize any violation of this chapter.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.12 Activities regulated by public service commission. (1) This chapter does not apply to any of the following:

(a) Any activity, including any notice to a consumer of a subscription change, that is specifically authorized under ss. 196.194 (1), 196.207, 196.20, or 196.499 (4), Stats., or under a rule or order issued by the state of Wisconsin public service commission.

Note: For example, s. PSC 165.043 (5) requires a telecommunications utility to disclose specific information before providing a new non-basic service. Therefore, the more extensive disclosure requirements under s. ATCP 123.02(1) do not apply. However, if the disclosures required by the PSC are made orally, the disclosures must be confirmed in writing pursuant to s. ATCP 123.02 (3).

(b) A subscription change which a telecommunications provider implements by means of a tariff under ch. 196, Stats., other than a tariff change under s. 196.196 (3) or 196.499 (2), Stats.

(2) This chapter does not authorize any activity prohibited by ch. 196, Stats., or by the state of Wisconsin public service commission under ch. 196, Stats.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.

ATCP 123.14 Initial applicability. This chapter first applies to contracts, subscriptions, contract changes and subscription changes that take effect on or after January 1, 1997.

History: Cr. Register, July, 1996, No. 487, eff. 1-1-97.